

Exhibit A

TEMPLE UNIVERSITY

POLICIES AND PROCEDURES MANUAL

Title: Inventions and Patents

Policy Number: 02.53.01

Issuing Authority: Board of Trustees

Responsible Officer: Provost

Date Created: March 12, 1985

Date Last Amended/Reviewed: October 11, 2011

Date Scheduled for Review: October 11, 2013

Reviewing Office: Senior Vice President for Research

Scope of Policy & Rationale:

The following policy was adopted by the Board of Trustees on March 12, 1985, and supersedes all previous issuances.

1. PURPOSE AND OBJECTIVES

As a part of its mission as a comprehensive educational research institution, Temple University encourages the search for new knowledge, discoveries and inventions which will serve the public good. In support of this mission, this invention policy sets forth the following objectives:

- a. To provide incentive for those engaged in research and the applied arts to commercialize their inventions;
- b. To provide a means to commercialize applied technologies;
- c. To define the obligations of all parties involved in the invention process and to safeguard their rights and interests.

2. OWNERSHIP

All persons subject to this policy hereby assign to the university the entire right, title and interest to any invention (including computer-related software and ancillary materials, but not including pure works of art or musical compositions) which is developed in whole or in part by any university employee, including, without limitation, faculty, staff member, fellow, resident, graduate student or assistant (whether paid or unpaid), which emerges from any university research or development activity, or from use of any university facilities or equipment. Where such title is held the university shall assume all control and responsibility for costs and liability of patent prosecution, maintenance and enforcement, if any, and licensing. Where ownership questions arise due to multi-institutional employment by a person covered by this policy, such question shall be

referred to the president or person designated by the president for resolution.

Ownership rights to inventions emerging from activity pursuant to an agreement with an outside sponsor shall be determined in accordance with that agreement, or, in the absence of a controlling agreement, with rules and regulations, if any, governing that sponsorship. In particular, the university shall be governed by Public Law 96-517, Government Patent Policy Act of 1980 (and any successor thereto or similar laws) and its attendant regulations and amendments regarding federal research agreements. In all cases, where feasible, the university shall seek to negotiate agreements which permit the university to retain ownership rights.

An inventor shall be entitled to all right, title and interest to any discovery or invention which is developed wholly on the inventor's own time and with the inventor's own facilities and which does not involve use of any university funds, equipment, facilities or personnel. Where such right, title and interest are claimed and agreed upon, the university shall not assume any responsibility for costs or liability of patent prosecution, maintenance or enforcement or licensing.

An inventor who is entitled to all ownership rights may petition the university to accept assignment of those rights and the attendant control and responsibilities. The university is under no obligation to accept such assignment, but shall evaluate and act on the petition in view of the objectives of this policy.

The university may elect to waive its ownership rights and release them to the inventor. Such a waiver by the university shall occur in writing within two (2) months after written disclosure by the inventor to the university. Where such a waiver occurs, the university shall incur no further expenses and shall assume no liability related to the invention. in accordance with long standing academic tradition, the university shall waive its ownership rights in all cases where the invention or software embodies a textbook, article, thesis or other similar item, the intended purpose of which is to disseminate the results of academic research or scholarly study.

Any faculty or staff member, fellow resident, student or volunteer at the university is responsible for insuring that any third-party agreement that he or she enters conforms in all respects with the university Invention and Patent policy or that such agreement has been approved by the Invention and Patent Committee if it does not conform in all respects with university Invention and Patent policy.

3. RESPONSIBILITIES OF THE INVENTOR AND THE UNIVERSITY

When an invention has been developed under conditions described above in "Ownership" and is deemed by the inventor worthy of evaluation, the inventor has the following responsibilities:

- a. To report such invention promptly to the senior vice provost for research and graduate education or other office designated by the president as responsible for inventions;
- b. Where the inventor intends to publish information or make any other public

disclosure related to the invention, to notify the office designated in sub-paragraph 3a of the intention prior to making such public disclosure; the foregoing clause shall not be construed to infringe on anyone's right to publish;

- c. To provide full disclosure in writing of such invention to the senior vice provost for research and graduate education or other designated office in the manner prescribed by that office;
- d. Where university rights exist to the invention, to execute all appropriate assignments to the university and to execute all documents necessary to the prompt prosecution of the patent or to the maintenance and enforcement of the patent;
- e. To cooperate with the university or its designees in filing, maintaining and enforcing the patent and in all licensing matters;
- f. To provide other reasonable support to assure that patent, licensing or other rights are adequately protected as required by the university.

Upon notice that an invention has been developed, the university has the following responsibilities:

- a. To provide prompt technical and legal guidance in the development of a full disclosure;
- b. To determine ownership in accordance with section 2 of this policy;
- c. Where the university is entitled to ownership rights, to decide expeditiously upon the method for administering the invention which best fulfills the objectives of this policy, including whether the university will apply for a patent itself or use an external patent management organization or individual, or whether it will waive rights to the invention and release them to the inventor;
- d. Where it is determined that patenting is inappropriate but that a commercial market may exist for an invention to which the university has rights, to assist in seeking licensing or other agreements for the invention;
- e. Where the university elects to seek a patent, to assume all costs associated with patent prosecution, maintenance and enforcement;
- f. To seek and negotiate licensing or other agreements for inventions to which the University has rights, with consultation with the inventor or a representative, and to assume all costs associated therewith.

4. INCOME DISTRIBUTION

The net income to the university from a royalty agreement or other agreement resulting from an invention shall be distributed as follows: 50% to the inventor(s) and 50% to the university, provided that the inventor(s)' share shall not fall below five percent (5%) of the university's gross receipts.

Net income is defined as gross income minus the patenting, legal and marketing costs incurred by the university related to such invention, including as a cost any income share that may be retained by an outside patent management organization. A statement of such costs, to the extent available to the university, shall be issued to the inventor(s) yearly.

If more than one inventor has contributed to the invention, those inventors shall be allocated equal amounts of the share to the inventors, unless they otherwise jointly instruct the university in writing. Where the inventors are unable to agree on the subdivisions of their share, they may request a hearing before the Invention and Patent Committee, whose decision shall be final.

The inventor is entitled to the full share of income even if he or she is no longer affiliated with the university. If the inventor should die, royalties due shall be paid to his or her estate or designee for the duration of the royalty period.

Income earned by the university shall be used to stimulate research. The first \$500,000 of the university's share of royalties from each invention shall be allocated within the university as follows:

- a. thirty-five percent (35%) to the department or research unit responsible for the invention;
- b. fifteen percent (15%) to the school or college responsible for the invention;
- c. fifty percent (50%) to the university.

The distribution of the funds in a and b, above, shall be used as a research supplement to the respective units' budgets. where there is more than one department, research unit, school or college responsible for the invention, the Invention and Patent Committee shall allocate the university's share of royalties according to the relative contributions of the inventors to the invention. The Invention and Patent Committee's allocation decisions shall be final.

The university's share of royalties in excess of \$500,000 from a specific invention shall be allocated by the university to stimulate and support research, provided that ten percent (10%) of such excess royalties shall continue to be allocated to the department or research unit responsible for the invention, and an additional ten percent (10%) of such excess royalties shall continue to be allocated to the school or college responsible for the invention. The allocation formula of the university's share of royalties may be revised by the president, in consultation with the executive cabinet, if a department or research unit has received at least \$200,000 per year for three (3) consecutive years in total royalties from inventions.

5. DONATION TO THE UNIVERSITY

An inventor may donate to the university all or an undivided interest in his or her rights to an invention, with the consent of the university. In such case, the university shall not be obligated to make the distributions to the inventor that would otherwise be required by

paragraph 4 with respect to such donated interest.

6. INVENTION AND PATENT COMMITTEE

The president shall appoint eight persons to an Invention and Patent Committee, which shall advise and assist with university inventions. Five of the members of the Invention and Patent Committee shall be members of the faculty and shall be from those recommended for appointment by the Faculty Senate Steering Committee. The initial faculty members of the Invention and Patent Committee shall serve for a five year term. Thereafter, faculty members shall be appointed for three year terms. No faculty committee member shall serve for more than three consecutive terms. The appointees to the Invention and Patent Committee shall be familiar with research and the patenting process. The president shall designate the chair. The committee shall meet regularly to address the following areas in which it will have authority and responsibility:

- a. Establishment of simple procedures and guidelines for the prompt and equitable implementation of this policy, including recommendations to the university relating to the use of outside patent management organizations, individuals or consultants;
- b. Periodic review of the university's Invention and Patent Policy and procedures in order to recommend improvements;
- c. Resolution of disputes regarding ownership royalty distribution, licensing searches, conflicts of interest or any other issues which may impede the patent, licensing and marketing process;
- d. Development of means to bind contractually all affected individuals to the implementation of this policy;
- e. Development of means to encourage discovery and invention in the university in accordance with the purpose of this policy;
- f. Development of procedure and guidelines where appropriate for marketing, licensing, financing and manufacturing of inventions;
- g. Such other matters as shall arise in order to implement this policy.

The Invention and Patent Committee shall not be responsible for the evaluation of discoveries and inventions with regard to patentability and commercial potential.

7. INVENTION MANAGEMENT

The president shall designate an office or individual(s) within the university which shall be responsible for the day-to-day management of invention matters. The office or individual(s) shall serve as staff to the Invention and Patent Committee, shall make recommendations to the Invention and Patent Committee and to the university officials regarding invention policy implementation, shall serve as liaison between inventors and others in securing swift disposition of disclosures, and shall generally expedite the patent and licensing process as the president and Invention and Patent Committee deem

appropriate.

Notes

1. Dates of official enactment and amendments:

Approved by the Board of Trustees effective for all disclosures occurring after March 12, 1985. Amended by the president in executive cabinet on November 14, 1989.

2. History:

The November 14, 1989 amendment changed the name of the Invention Committee to the Invention and Patent Committee. The amendment also established that the initial faculty members appointed to the committee would serve a five-year term, and thereafter faculty members would be appointed for three-year terms, with no faculty member serving for more than three consecutive terms.

Amended October 11, 2011 in light of *Stanford v. Roche*

3. Cross References

Board of Trustees Policy # 02.54.01, Misconduct in Research and Creative Work Board
of Trustees Policy #04.16.01, Conflict of Interest Policy - All Employees
Board of Trustees Policy # 04.16.02, Conflict of Interest Policy – Faculty
Temple University Faculty Guide (section on Extra Compensation)